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SUBJECT: VETERAN'S AFFAIRS SECRETARY NICHOLSON VISITS HCMC

REF: HANOI 1011; B) HANOI 1010

¶1. (SBU) During a two day visit to HCMC, April 26-27, Secretary Nicholson called on key HCMC government and military leaders the Archbishop of HCMC and Cardinal Pham Minh Man. The Secretary also visited the fledgling HCMC stock exchange to discuss development in Vietnam's capital market and met with Vietnam War-era members of the American Chamber of Commerce. Cardinal Man told the Secretary that conditions for the seven million Catholic faithful in Vietnam continues to improve. For example, during the very restrictive period following reunification in 1975 to 1998, his diocese was severely restricted in its ability to ordain new priests. During that time span, some 250 priests died, but the church was only able to ordain 150. Since 1999, HCMC has been able to ordain 109 new priests, although it still suffers a serious shortage due to deaths and retirements. The HCMC archdiocese has another 250 candidates in seminary; another 250 candidates are awaiting entry into the seminary.

¶2. (SBU) The Cardinal told the Secretary that the GVN still prevents the church from running hospitals or schools; all those facilities were confiscated after the war. Nuns are allowed to run pre-kindergarten classes. The Cardinal told that Secretary that, in addition to some cooperative work with the HCMC government on HIV/AIDS, the diocese also has its own "underground" humanitarian outreach. For example, the church runs a shelter for prostitutes where they can give birth, raise their children and receive vocational training. The Cardinal said that prostitution and the trafficking of women was an issue of increasing concern for him and all Vietnamese.

¶3. (SBU) Lieutenant General Le Manh, Commander of Military Region Seven, welcomed the Secretary as a sign of the improving bilateral relationship and the efforts of both sides to focus on the future and "leave the past behind." Going off script, the General noted the Secretary's past military service in Vietnam and asked for the Secretary's impressions of the changes he has seen in the past 40 years. The Secretary congratulated the GVN on developing HCMC and making it Vietnam's economic engine. He also thanked the General for the GVN's support for our POW/MIA program as well as expanded mil-mil ties, including hosting two U.S. Navy ship visits to HCMC. The General told the Secretary that he would travel to the United States in May as part of a National Assembly delegation visit.

¶4. (SBU) HCMC People's Committee Vice Chairman Nguyen Thanh Tai officially welcomed the Secretary back to HCMC after 40 years. Like General Manh, Vice-Chairman Tai told the Secretary that his visit was a positive sign of our rapidly expanding bilateral ties. Tai welcomed greater U.S. engagement in Vietnam and thanked the USG for its support on a wide range of issues, including HIV/AIDS. Chairman Tai noted that continued dialogue was critical as the two sides worked to bridge the gap on some "social issues." The Secretary told Tai that the USG would do everything in its power to build an improve relationship and noted that the President looked forward

to his visit to Vietnam in November for APEC.

15. (SBU) Secretary Nicholson, visited the HCMC stock exchange, where he was briefed on ongoing collaborative efforts with the New York Stock Exchange to modernize and expand trading as well as to facilitate increased foreign participation in Vietnam's capital markets. Excitement about Vietnam's economic prospects is high, Tran Dan Sinh, the HCMC stock exchange director, told the Secretary. Since January, the HCMC stock exchange index has nearly tripled. Vietnam will have many new dollar millionaires by the end of 2006 if this trend continues, he told the Secretary. The Secretary also had lunch with members of the

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American Chamber of Commerce with previous military or civilian service in Vietnam pre-1975. The AmCham members outlined for the Secretary the positive economic and social changes in Vietnam

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since economic liberalization began in earnest 10 years ago.

16. (SBU) Comment: Agent Orange was not brought up in official meetings. Vice-Chairman Tai appeared to hint obliquely at the issue when he told the Secretary that Vietnam still has to make efforts to "heal the wounds of the war." The Secretary was asked directly about AO during a one-on-one press interview with Tuoi Tre newspaper. The Secretary responded that additional research and cooperation was needed to better define the science and scope of the problem in Vietnam. End Comment.

17. (U) Secretary Nicholson's staff members have cleared this message.

WINNICK